



Rule Self-Certification

June 9, 2015

Christopher J. Kirkpatrick
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, NW
Washington, DC 20581

Re: **Rule 40.6 Certification**
NFX Energy Futures and Futures Options Customer Margin
Reference File: SR-NFX-2015-39

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (“Act”), and Section 40.6 of the regulations promulgated by the Commodity Futures Trading Commission under the Act, NASDAQ Futures, Inc. (“NFX” or “Exchange”) hereby submits customer margin requirements for 28 new financially settled energy futures and futures options (the “Energy Contracts”) to be listed on a date to be announced by the Exchange through the issuance of a Futures Regulatory Alert.¹ The Exchange will issue the attached Futures Regulatory Alert describing the margin requirements on June 10, 2015.

Pursuant to CFTC regulations, The Options Clearing Corporation (“OCC”) will set the speculative customer initial margin requirement on NFX futures and options on futures. CFTC regulations require OCC to set the customer initial margin requirement at an amount that is higher than OCC’s clearing member margin requirement. OCC has advised NFX that the customer initial margin requirement for NFX contracts will be set to a dollar amount that equals 110% of the greater of Value-at-Risk (VaR) level calculated using a 99% confidence interval for

¹ The 28 new Energy Contracts include five futures and two futures option contracts on oil and refined products, four futures and one futures option contract on natural gas, and 16 futures contracts on power. See SR-NFX-2015-10 filed March 11, 2015.

the daily price returns using a 2-year and 5-year look-back period (on a per contract basis). In addition, for products having an economically equivalent contract listed on another market center, OCC will not allow its rates to fall below that of the primary listing exchange. OCC has advised NFX that customer initial margin requirements are reset approximately every 90 calendar days and monitored daily, with rates being re-set should a one-day change in settlement price exceed the prevailing rate at the time. In addition, OCC has authority to update customer initial margin requirements at any time, if deemed warranted, and as dictated by market conditions.

NFX has determined to adopt the result of OCC's VaR calculation as described above as the customer maintenance margin requirement. NFX is also adopting the result of OCC's VaR calculation as described above as the initial and maintenance margin requirement for hedge customers and Futures Participants.

The NFX margin rates will be implemented upon the listing of the Energy Contracts. At that time the margin rates will be available on the OCC website at: www.theocc.com.

Consistent with Core Principle 7, Availability of General Information, the Exchange will post the attached Futures Regulatory Alert on its website at: www.nasdaqomx.com/nasdaq-futures.

There were no opposing views among the NFX's Board of Directors, members or market participants. The Exchange hereby certifies that the margin rates described herein for the Energy Products and the attached Futures Regulatory Alert comply with the Act and the regulations thereunder. The Exchange also certifies that notice of pending certification and a copy of this submission have been concurrently posted on the Exchange's website at www.nasdaqomx.com/nasdaq-futures.

If you require additional information regarding this submission, please contact Carla Behnfeldt at (215) 496-5208 or via e-mail at carla.behnfeldt@nasdaq.com. Please reference SR-NFX-2015-39 in in any related correspondence.

Regards,



Daniel R. Carrigan
President

Attachment:

Exhibit 1: Futures Regulatory Alert #2015-XX.

Exhibit 1 to SR-NFX-2015-39

Futures Trader Alert #2015 - XX

Customer Margin Requirements for 28 new Energy Contracts

Category:

System Impact

Markets Impacted:

[Nasdaq Futures, Inc.](#)

Contact Information:

[U.S. Market Operations - Futures](#)
at +1 215 496 1571

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0477

[Futures Sales](#)

[Futures Regulation](#)

Resources:

This Futures Regulatory Alert is issued pursuant to Chapter V, Section 9 of the NFX rulebook governing customer margin. Customer margin requirements that will apply to the 28 new NFX energy futures and futures options products to be listed in the near future on a date to be announced by Futures Regulatory Alert are set forth below.²

How will speculative customer initial margin be determined?

Pursuant to CFTC regulations, The Options Clearing Corporation (“OCC”) will set the speculative customer initial margin requirement on NFX futures and options on futures. CFTC regulations require OCC to set the customer initial margin requirement at an amount that is higher than OCC’s clearing member margin requirement. OCC has advised NFX that the customer initial margin requirement for NFX contracts will be set to a dollar amount that equals 110% of the greater of Value-at-Risk (VaR) level calculated using a 99% confidence interval for the daily price returns using a 2-year and 5-year look-back period (on a per contract basis). In addition, for products having an economically equivalent contract listed on another market center, OCC will not allow its rates to fall below that of the primary listing exchange. OCC has advised NFX that customer initial margin requirements are reset approximately every 90 calendar days and monitored daily, with rates being re-set should a one-day change in

² See SR-NFX-2015-10. The 28 Energy Products are: NFX Brent Crude Financial Futures; NFX Options on NFX Brent Crude Financial Futures; NFX WTI Crude Oil Financial Futures; NFX Options on NFX WTI Crude Oil Financial Futures; NFX Low Sulphur Gasoil Financial Futures; NFX Heating Oil Financial Futures; NFX RBOB Gasoline Financial Futures; NFX Henry Hub Natural Gas Financial Futures – 2,500; NFX Henry Hub Natural Gas Penultimate Financial Futures – 2,500; NFX Henry Hub Natural Gas Financial Futures – 10,000; NFX Henry Hub Natural Gas Penultimate Financial Futures – 10,000; NFX Options on NFX Henry Hub Penultimate Financial Futures – 10,000 (LNQ); NFX CAISO NP-15 Hub Day-Ahead Off-Peak Financial Futures; NFX CAISO NP-15 Hub Day-Ahead Peak Financial Futures; NFX CAISO SP-15 Hub Day-Ahead Off-Peak Financial Futures; NFX CAISO SP-15 Hub Day-Ahead Peak Financial Futures; NFX ISO-NE Massachusetts Hub Day-Ahead Off-Peak Financial Futures; NFX ISO-NE Massachusetts Hub Day-Ahead Peak Financial Futures; NFX MISO Indiana Hub Real-Time Off-Peak Financial Futures; NFX MISO Indiana Hub Real-Time Peak Financial Futures; NFX PJM AEP Dayton Hub Real-Time Off-Peak Financial Futures; NFX PJM AEP Dayton Hub Real-Time Peak Financial Futures; NFX PJM Northern Illinois Hub Real-Time Off-Peak Financial Futures; NFX PJM Northern Illinois Hub Real-Time Peak Financial Futures; NFX PJM Western Hub Day-Ahead Off-Peak Financial Futures; NFX PJM Western Hub Day-Ahead Peak Financial Futures; NFX PJM Western Hub Real-Time Off-Peak Financial Futures; and NFX PJM Western Hub Real-Time Peak Financial Futures.

settlement price exceed the prevailing rate at the time. In addition, OCC has authority to update customer initial margin requirements at any time, if deemed warranted, and as dictated by market conditions.

How will Customer maintenance margin be determined?

NFX has determined to adopt the result of OCC's VaR calculation as described above as the customer maintenance margin requirement.

How will hedge customer initial margin and futures participant initial margin be determined?

NFX is also adopting the result of OCC's VaR calculation as described above as the initial and maintenance margin requirement for hedge customers and Futures Participants.

Where can I find the margin rates?

NFX margin rates will be available on the OCC website at:
www.theocc.com.